



**sunshine**

# **FY24 Earnings Webinar**

**Sunshine Holdings PLC**

**05 June 2024**

# Housekeeping Announcements

- The webinar will be recorded and later uploaded to our IR website for future reference
- All participants will be muted during the presentation.
- Participants can unmute themselves to ask questions in the Q&A session
- Participants can raise their questions via the chat box

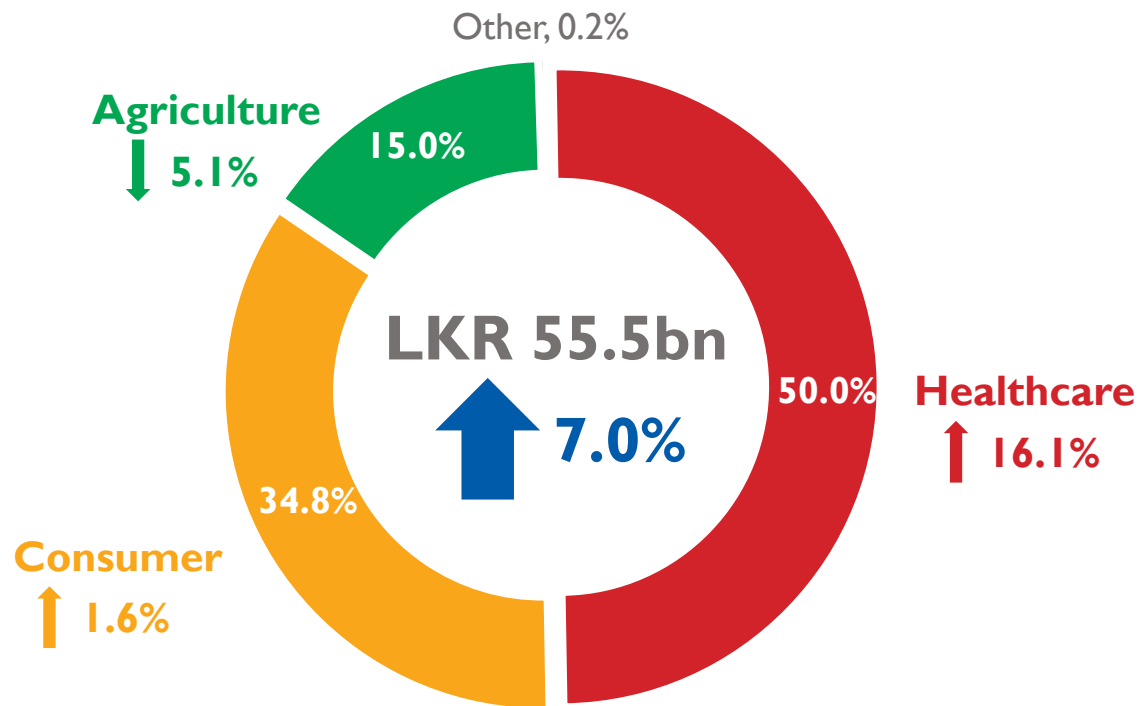
# Corporate Announcements

- 03<sup>rd</sup> May – The International Finance Corporation (IFC), a member of the World Bank Group, has agreed to invest LKR 3,270,000,000/ in Sunshine Healthcare Lanka Limited, a 100% subsidiary of the Company, in the form of equity subject to the performance of agreed conditions precedent set out in the Subscription Agreement executed between the parties
- Watawala Plantations PLC has declared a final dividend of Rs. 7.00 per share for FY24 (XD date - 01 Jul 2024, Payment date - 18 Jul 2024)
- Sunshine Holdings PLC has declared a final dividend of Rs. 2.00 per share for FY24 (XD date - 01 Jul 2024, Payment date - 18 Jul 2024)

# Group Performance

# Group at a Glance – FY24

## Revenue Composition



LKR 8.7bn  
+23.7% YoY  
**EBIT**

LKR 6.0bn  
+66.4% YoY  
**Earnings**

LKR 9.09  
+94.6% YoY  
**EPS**

29.9%  
+2.1 pts  
**Gearing**

28.7%  
+9.5 pts  
**ROE**

LKR 38.43  
+19.8% YoY  
**NBV**

LKR 30.5bn  
+37.6% YoY  
**Mkt Cap**

6.8x  
-29.8% YoY  
**PER**

1.8%  
2.8% - FY23  
**Div Yield**

# Group – Performance Highlights



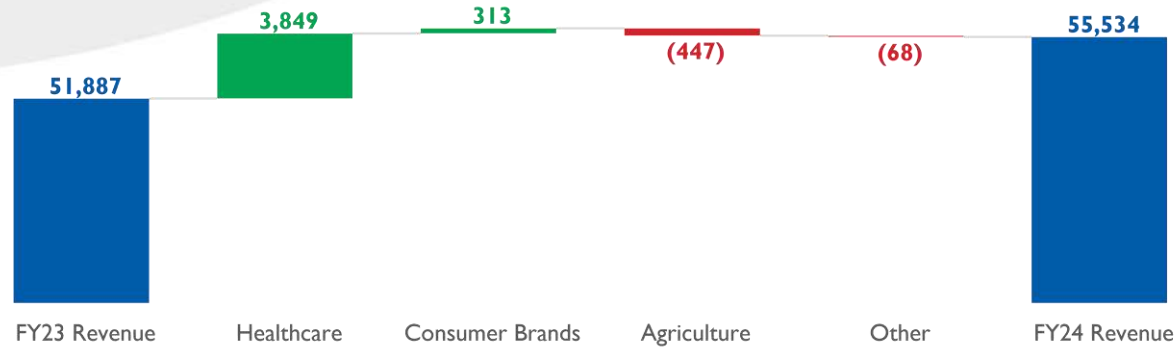
(LKR millions)

LKR m	FY24	FY23	Growth %	4QFY24	4QFY23	Growth %
Revenue	55,534	51,887	7.0%	13,148	13,326	-1.3%
EBIT	8,662	7,001	23.7%	1,268	1,179	7.5%
<i>EBIT margin</i>	<i>15.6%</i>	<i>13.5%</i>		<i>9.6%</i>	<i>8.8%</i>	
PAT	6,019	3,617	66.4%	570	(162)	-451.9%
<i>PAT margin</i>	<i>10.8%</i>	<i>7.0%</i>		<i>4.3%</i>	<i>-1.2%</i>	
PATMI	4,471	2,263	97.6%	508	56	807.1%
EPS (LKR)	9.09	4.60	97.6%	1.03	0.11	807.1%

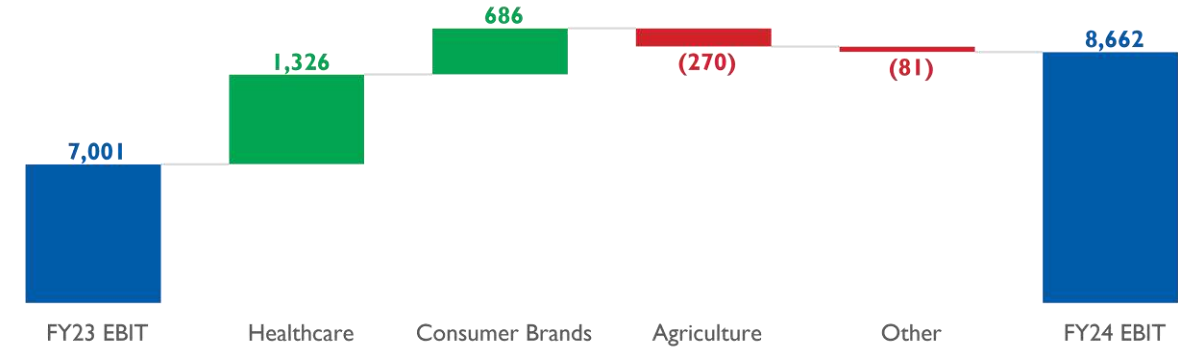
- EBIT margins improved by **210bps** in FY24, mainly driven by the margin expansion in both the healthcare and consumer brands business
- **20.2% YoY** reduction in finance costs resulted from lower interest rates  
[Net Finance cost: FY24 LKR 591m cf. LKR 986m in FY23]

# Movement in Revenue & EBIT

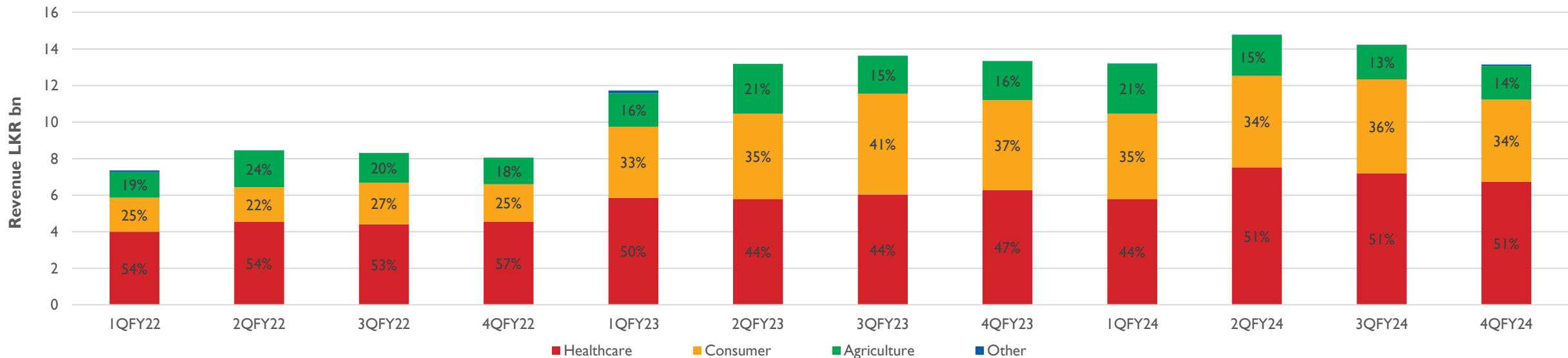
Revenue Movement [LKR Million]



EBIT Movement [LKR Million]



Revenue Composition – Revenue QoQ



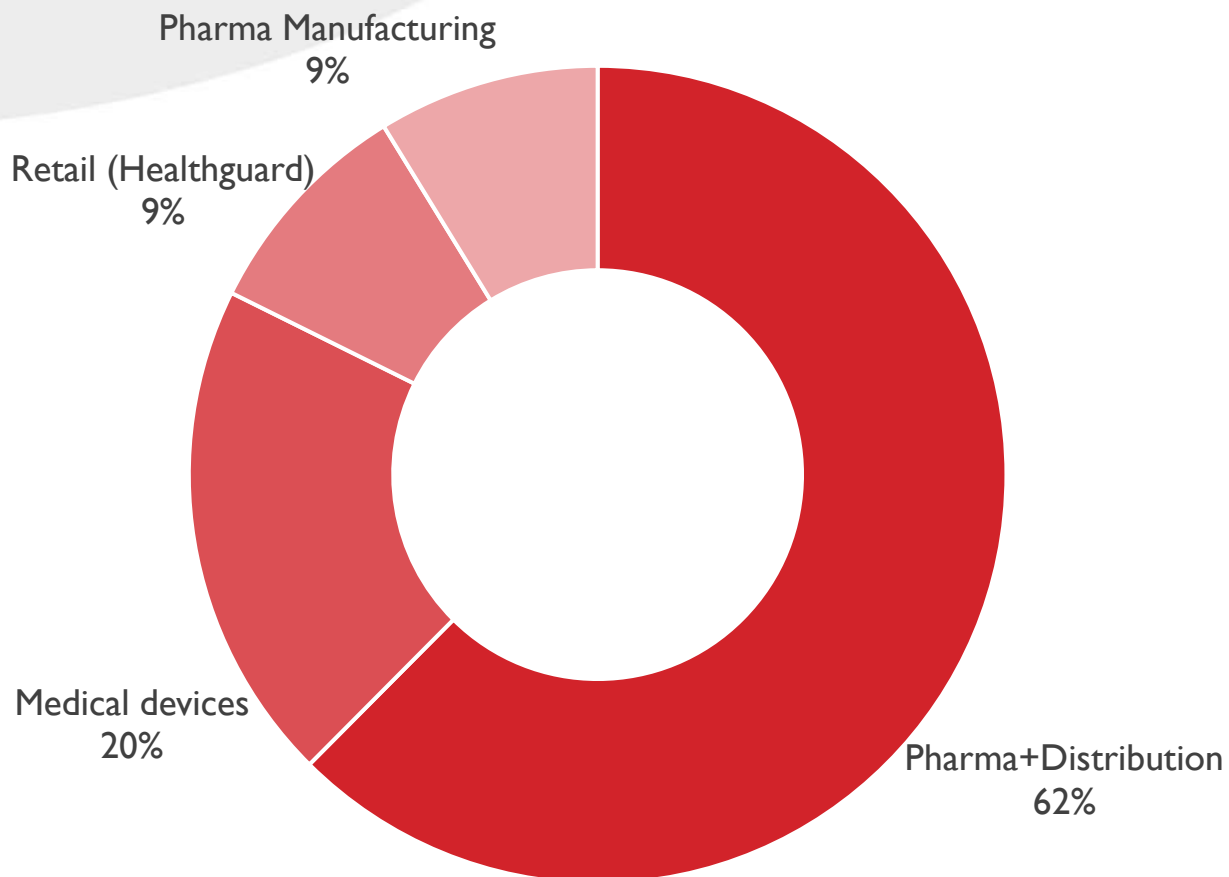
Healthcare



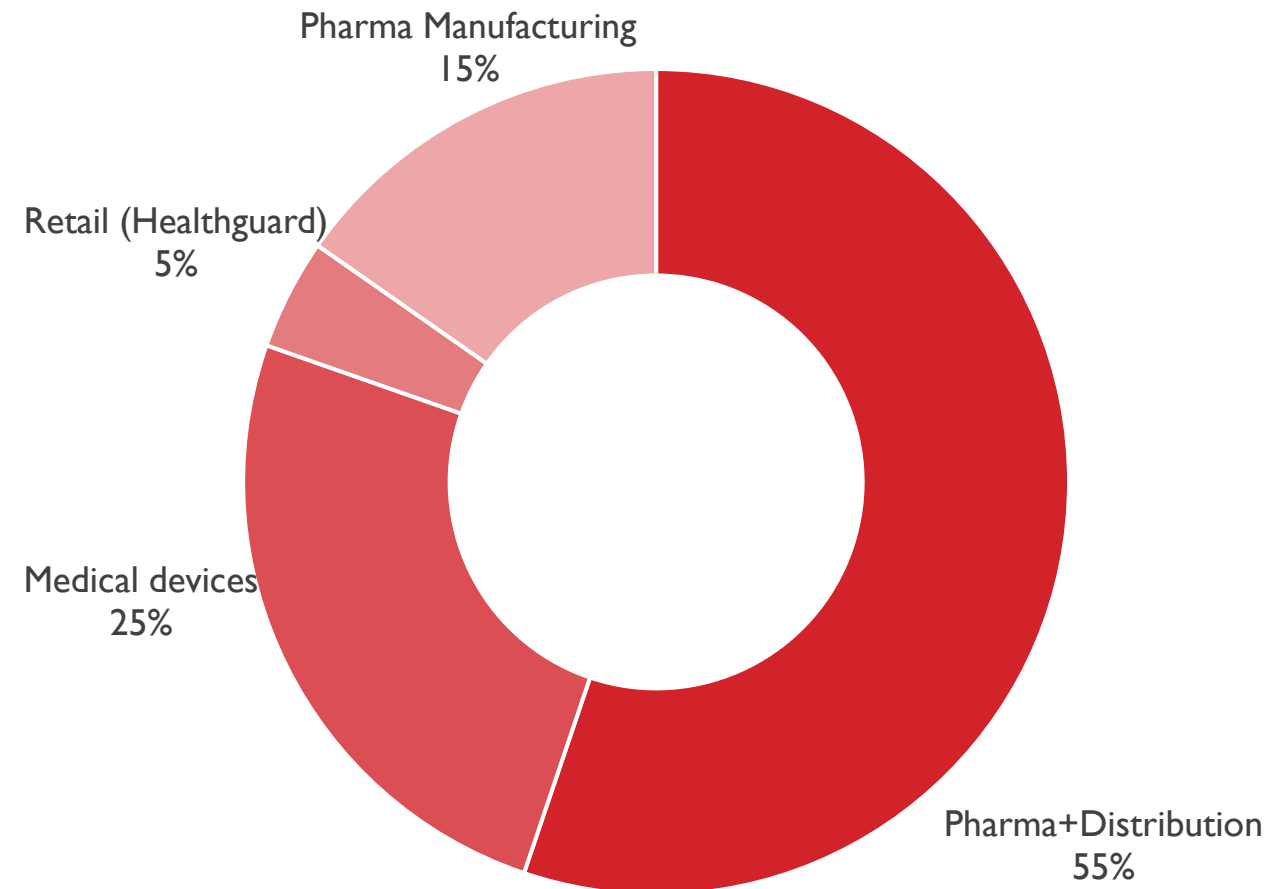
# Healthcare Sector



### Revenue Split [FY24]



### Total Asset Split [FY24]



# Healthcare – Performance Highlights

(LKR millions)

LKR m	FY24	FY23	Growth %	4QFY24	4QFY23	Growth %
Revenue	27,773	23,924	16.1%	6,736	6,284	7.2%
EBIT	4,299	2,973	44.6%	896	884	1.4%
<i>EBIT margin</i>	<i>15.5%</i>	<i>12.4%</i>		<i>13.3%</i>	<i>14.1%</i>	
PAT	2,529	1,209	109.2%	349	384	-9.1%
<i>PAT margin</i>	<i>9.1%</i>	<i>5.1%</i>		<i>5.2%</i>	<i>6.1%</i>	

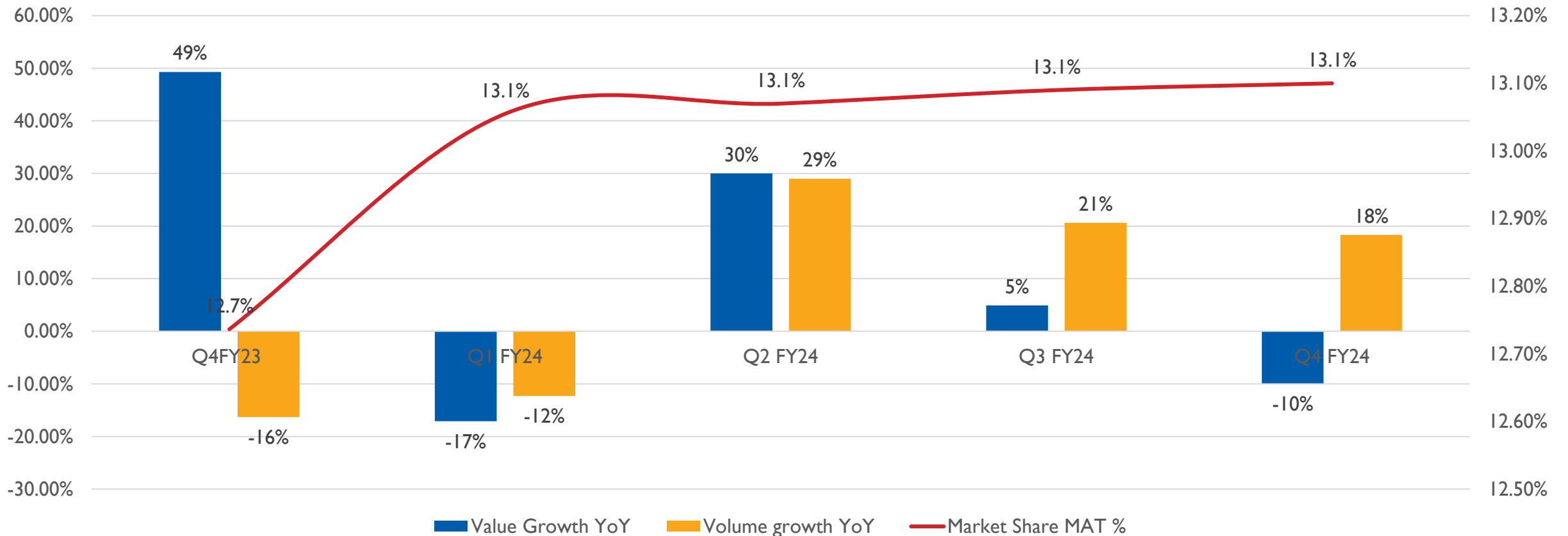
- In FY24, the EBIT margin improved by **305bps**, supported by improved performance of SMD and manufacturing businesses
- Pharma business revenue remained flat during the period
- HG Retail's revenue rose by **19.2% YoY** in FY24, with improved bill count and availability.

# Sunshine Pharmaceuticals



During 4QFY24,

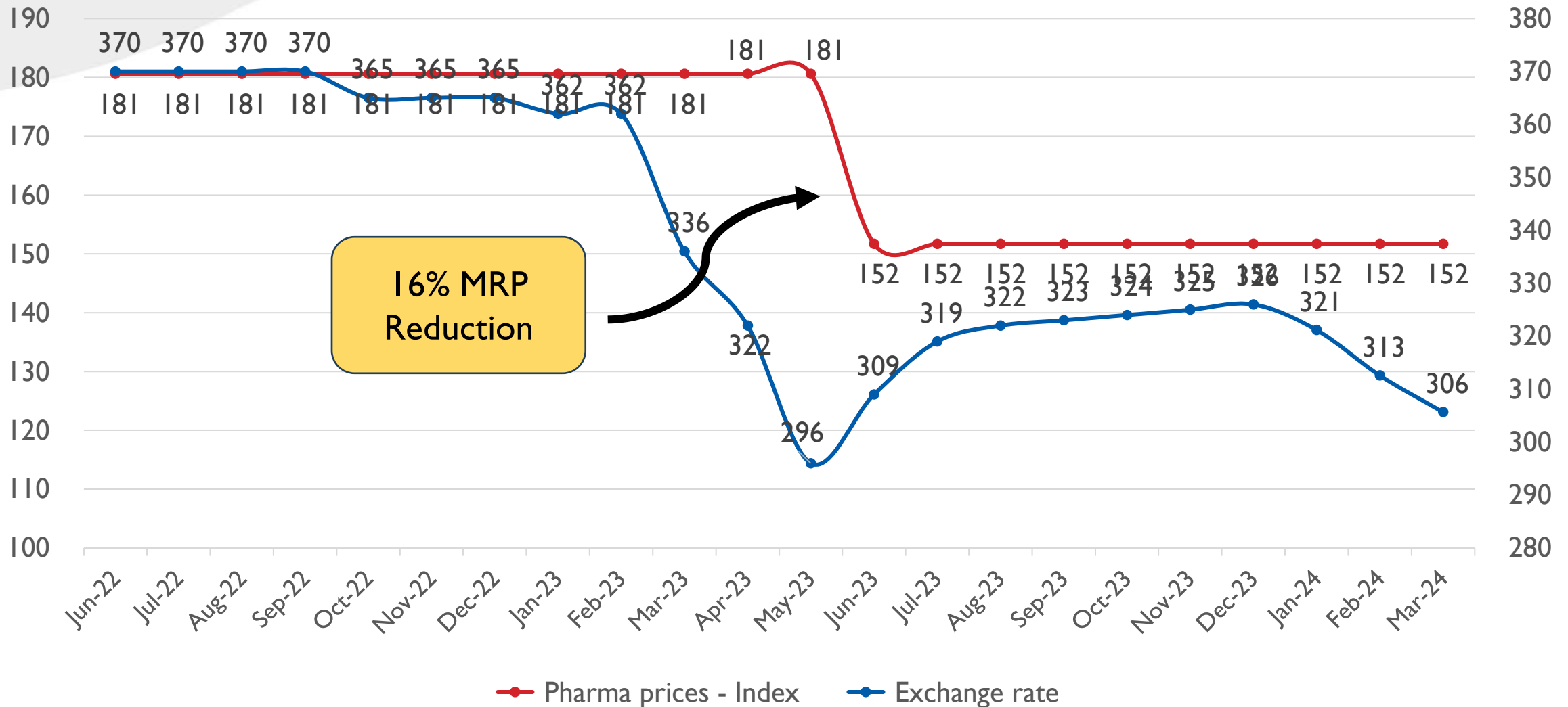
- Company and Market had growth at 11+% YoY



# Pharmaceuticals – Price Increase Index



Dec 2021 considered as the base (i.e., 100)

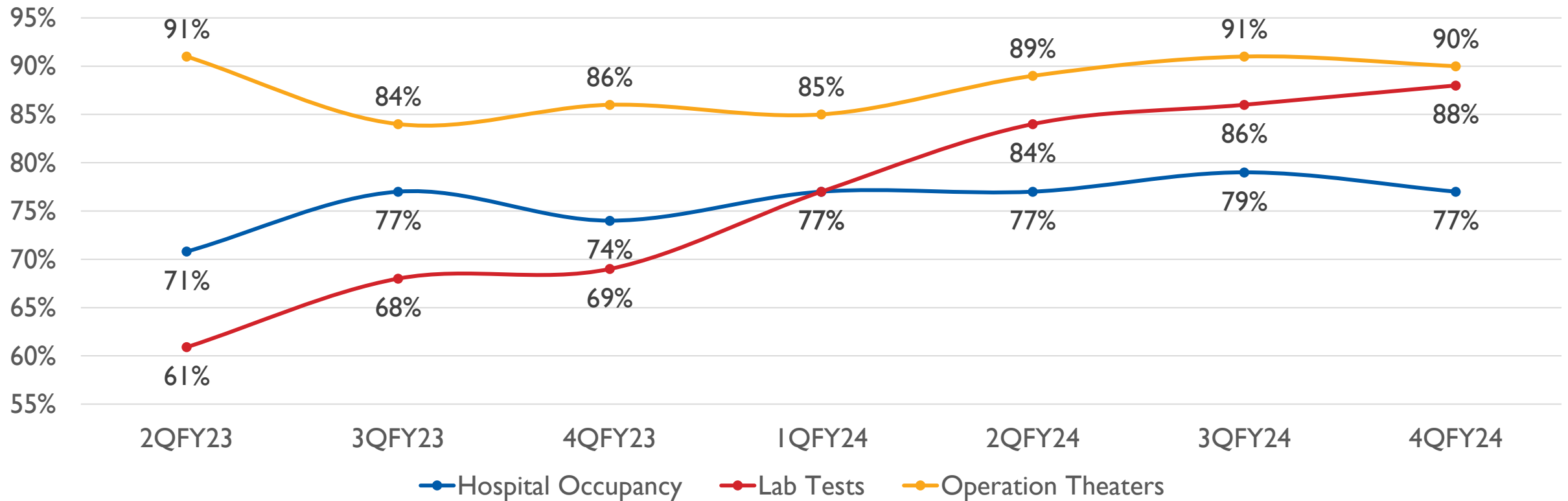


# Sunshine Medical Devices



- FY24 witnessed a 28.1% YoY revenue growth.

Market Dynamics



# Lina - Pharma Manufacturing

*Lina*  
Manufacturing

- During the FY24, the revenue grew 2.4x reaching LKR 2.4 bn.
- Improved capacity utilization in the MDI line (83% - FY24) and Capsule line (50% - FY24)



# Healthguard Pharmacy - Retail

## Retail Segment Performance

- Strong BC growth driven by promotions and improved availability
- FY24 Revenue grew by **19% YoY**
- Revenue improvement in both Pharma and Wellness has helped improve the GP margin



KPI (YoY)	FY23				FY24			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Same store sales (SSS) growth	0.6%	-13.4%	12.9%	-1.9%	12.1%	24.1%	17.2%	8.88%
Bill count growth (SS)	-14.7%	-26.1%	-14.9%	-21.6%	7.9%	20.5%	13.6%	5%
Average Basket Value growth (SS)	18.0%	17.2%	32.7%	25.1%	3.9%	3.7%	2.4%	6.8%
Availability (Top 1,750 SKUs)	81%	77%	84%	85%	83%	84%	84%	86%

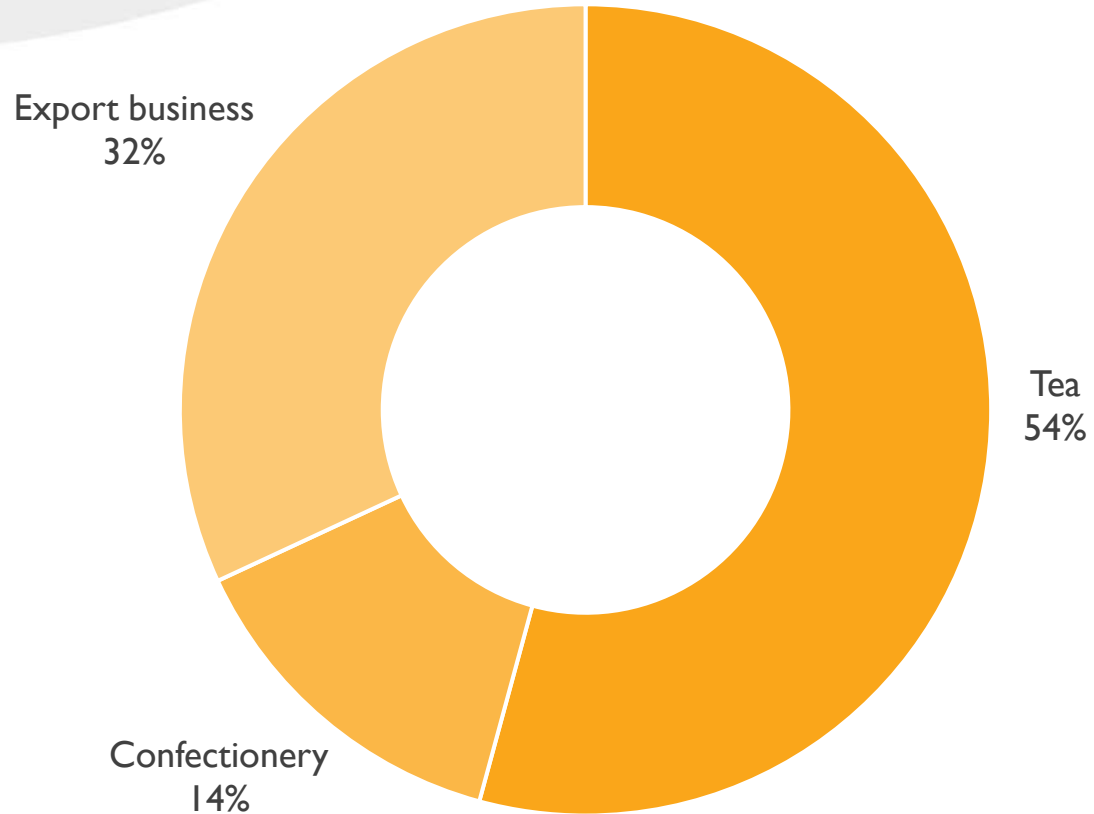
Consumer



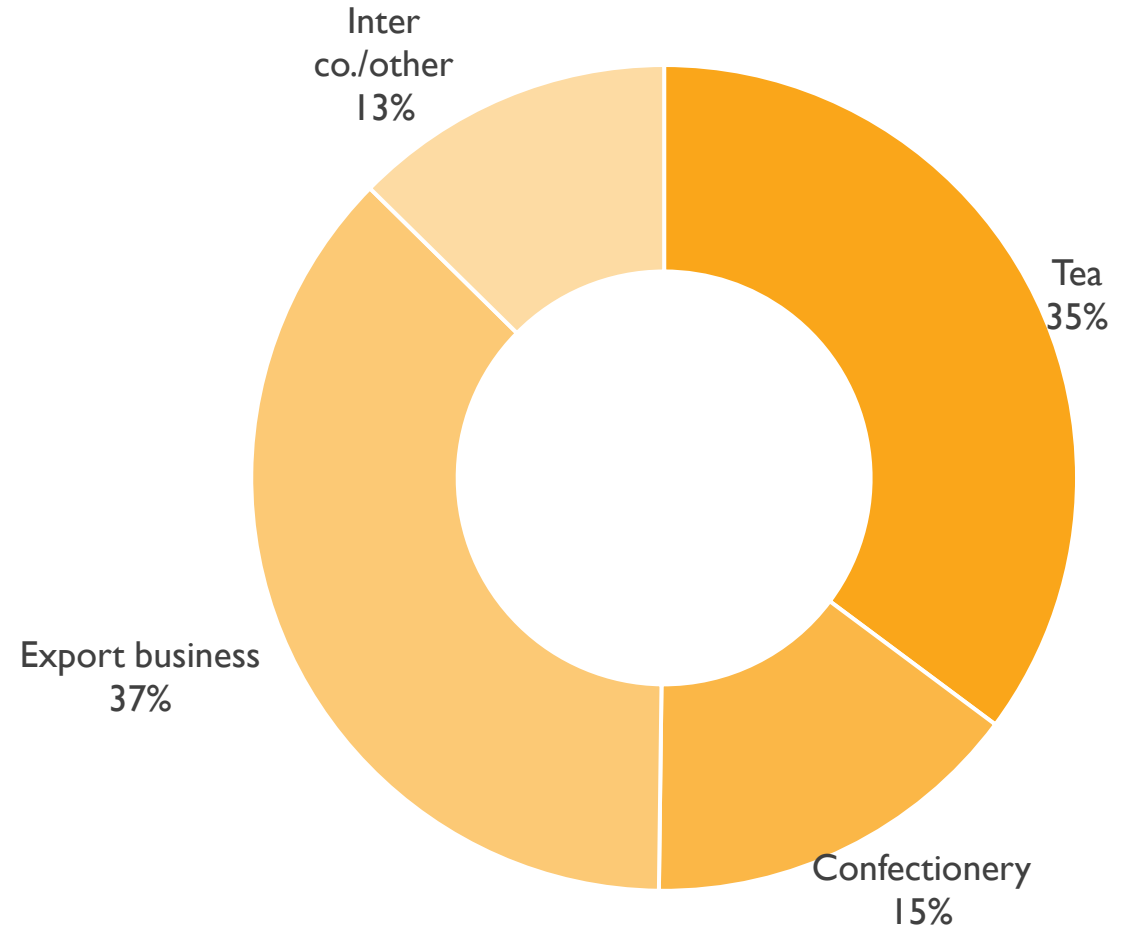
# Consumer Sector



### Revenue Split [FY24]



### Total Asset Split [1QFY24]



# Consumer Sector – Performance Highlights



(LKR millions)

LKR m	FY24	FY23	Growth %	4QFY24	4QFY23	Growth %
Revenue	19,324	19,011	1.6%	4,492	4,921	-8.7%
EBIT	1,874	1,188	57.7%	93	283	-67.1%
<i>EBIT margin</i>	<i>9.7%</i>	<i>6.2%</i>		<i>2.1%</i>	<i>5.8%</i>	
PAT	1,144	523	118.7%	90	25	260.0%
<i>PAT margin</i>	<i>5.9%</i>	<i>2.8%</i>		<i>2.0%</i>	<i>0.5%</i>	

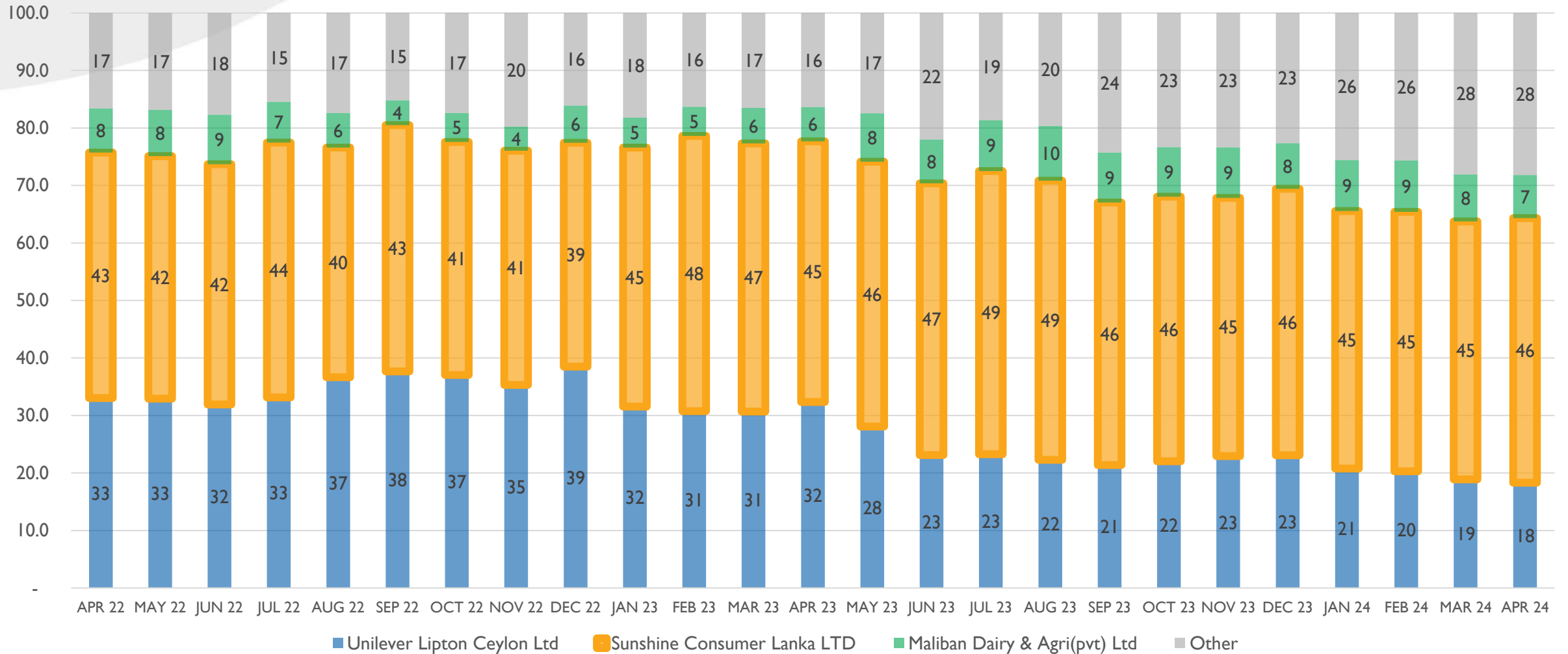
- The consumer sector revenue for FY24, recorded a marginal improvement of **1.6% YoY**, driven by the improved revenue of the domestic tea segment (**38% YoY**) despite revenue contraction in both confectionery (**-22% YoY**) and Exports segments (**-22% YoY**)
- Margins in the local business improved due to price growth and lower raw material prices
- PAT from the Consumer segment significantly increased by **118.5% YoY** due to the growth in the domestic tea business and finance cost savings.

# Consumer Sector – Revenue & Volumes

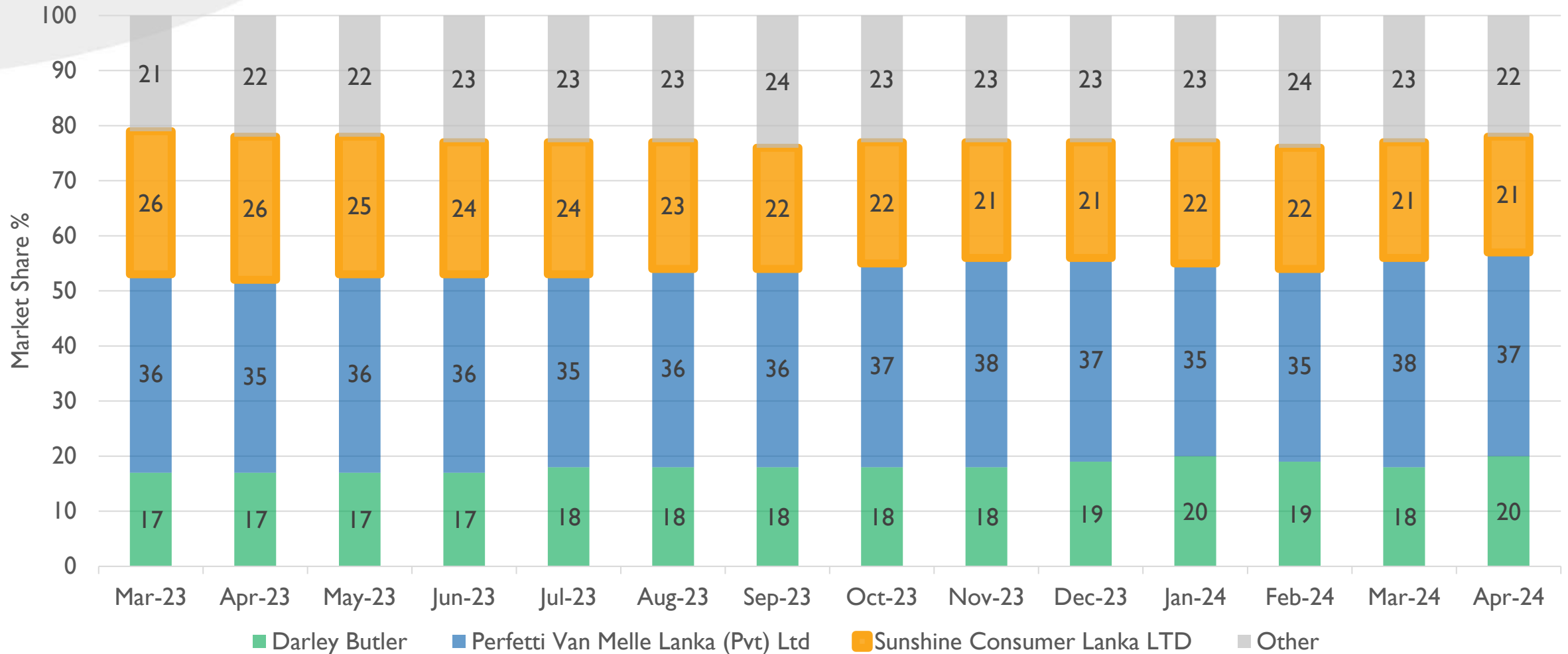


KPIs	FY23				FY24			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
<b>Volume</b>								
<b>Tea (Local)</b>								
Revenue growth	-4%	10%	41%	84%	93%	77%	31%	-8%
Volume (Kgs '000)	1,009	974	1,260	1,095	1,053	1,157	1,361	1,201
YoY Growth	-21%	-26%	-16%	-10%	4%	19%	8%	10%
<b>Confectionary</b>								
Revenue growth	33%	107%	73%	14%	7%	-31%	-26%	-27%
Volume (Kgs '000)	721	922	905	639	600	603	657	507
YoY Growth	-14%	16%	-27%	-30%	-17%	-35%	-27%	-21%
<b>Tea (Export)</b>								
Revenue growth	68%	89%	100%	45%	-20%	-22%	-39%	-6%
Volume (Kgs '000)	987	972	941	767	729	791	599	800
YoY Growth	-10%	-6%	-10%	-9%	-26%	-19%	-36%	4%

# Brand Value Market Share (%) – Tea



# Brand Value Market Share (%) – Confectionary

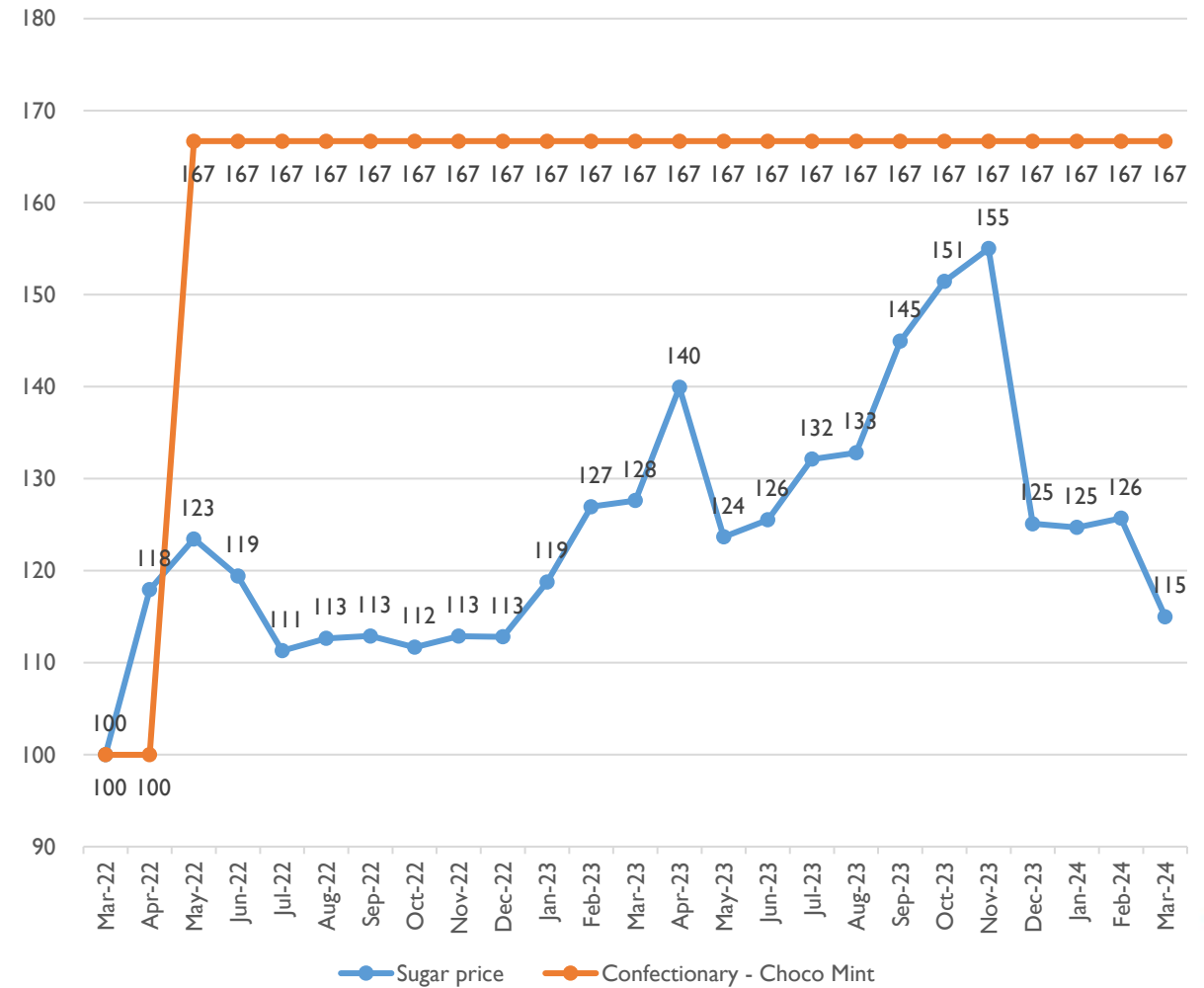
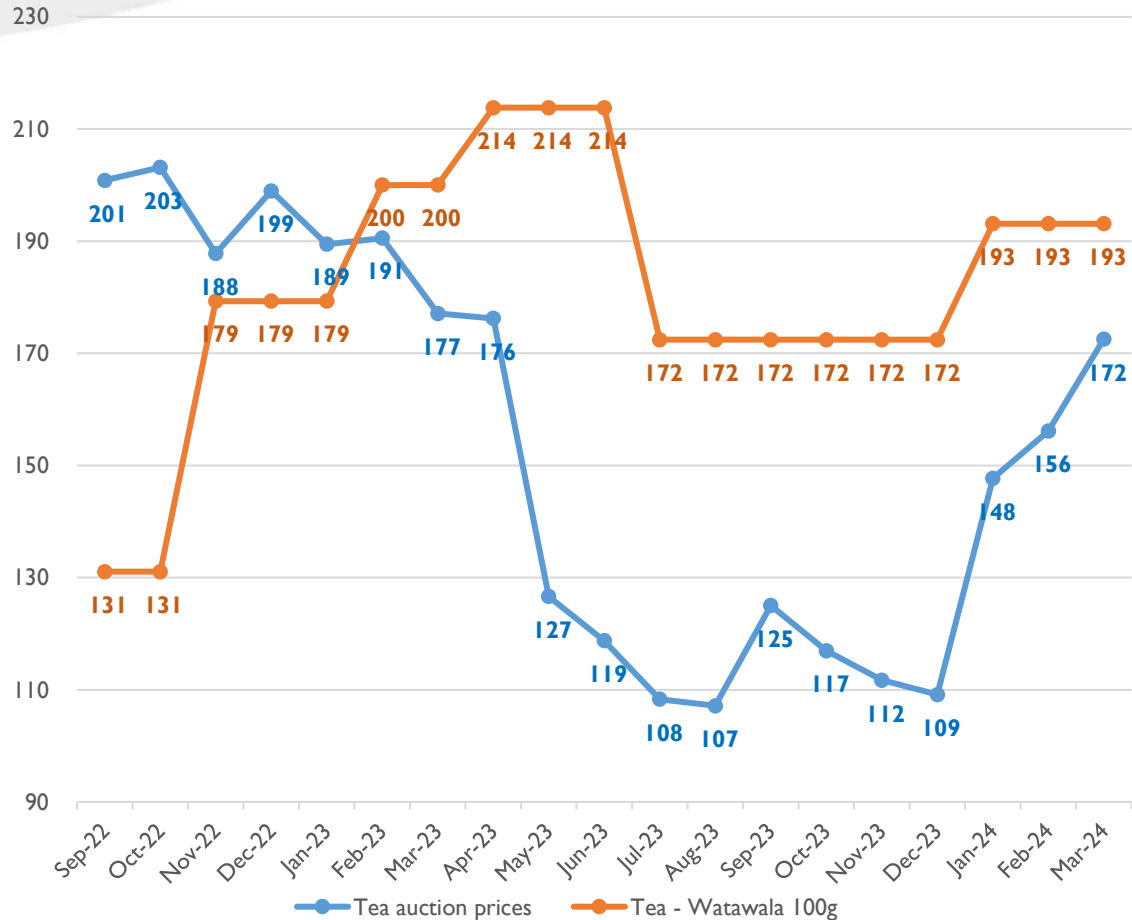


Source: Peppercube RMS

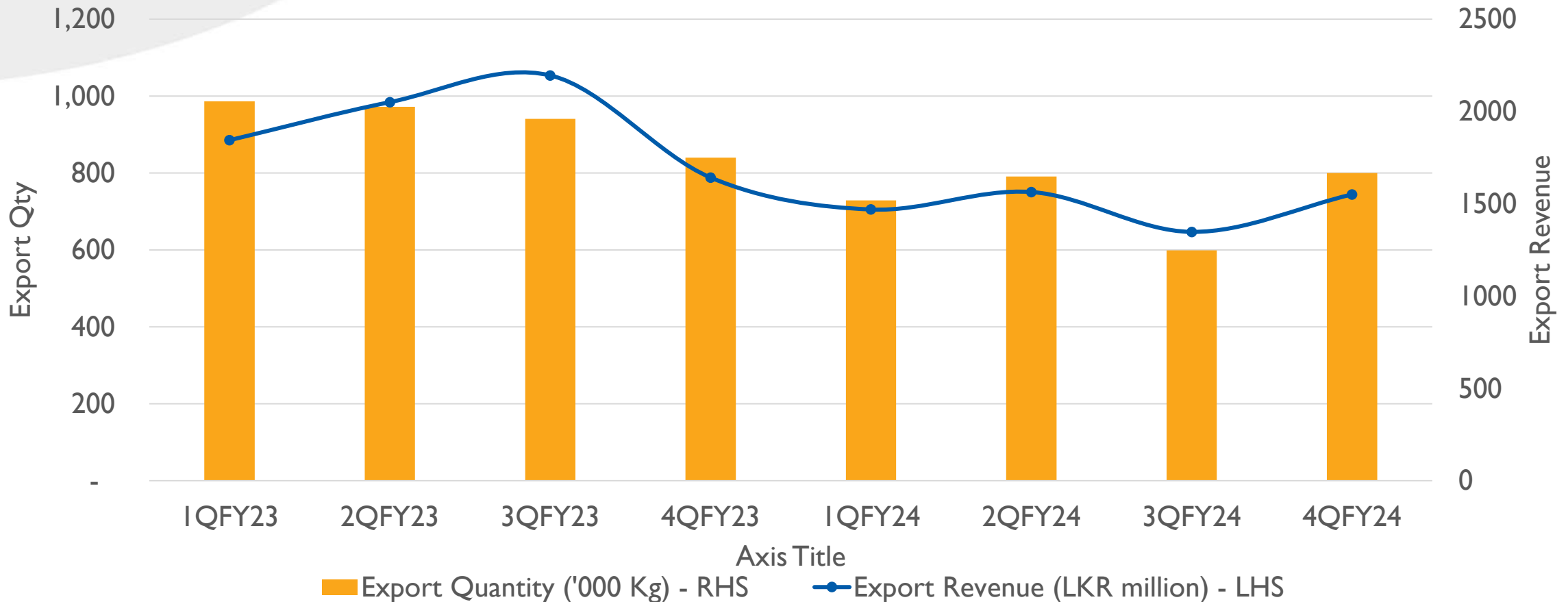
# Price Index – Tea and Confectionary



March 2022 considered as the base (i.e., 100)



# Sunshine Tea - Exports



- The revenue contracted 5.5% YoY mainly due to the adverse volume impact of the business.

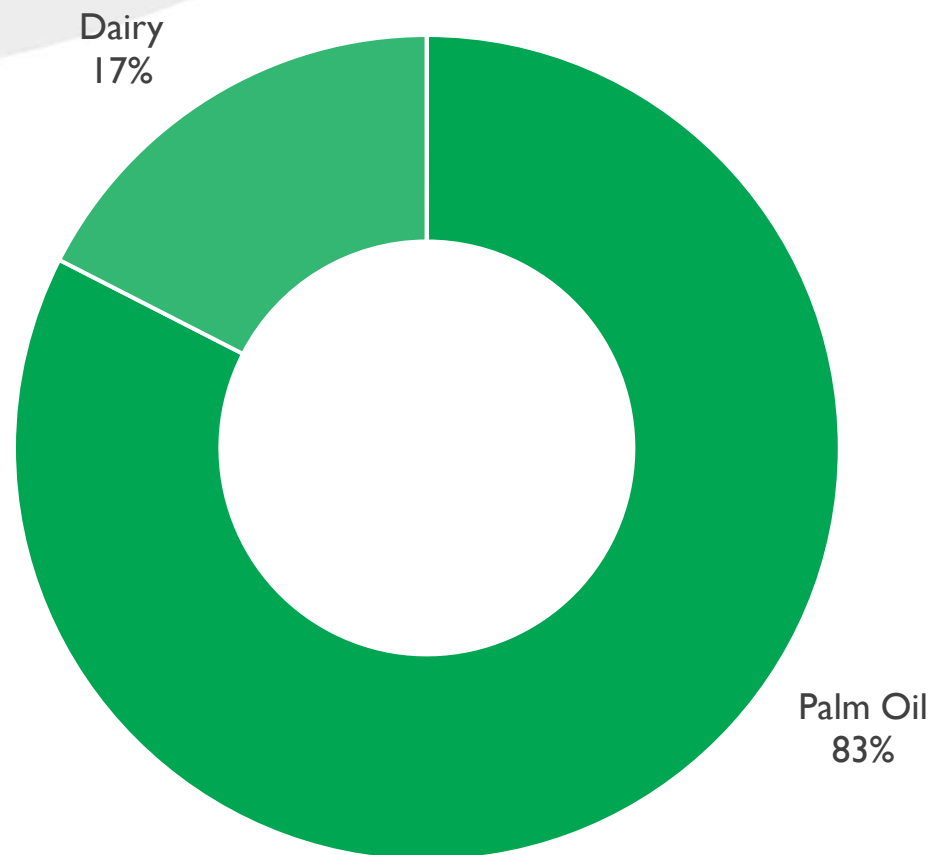
# Agribusiness



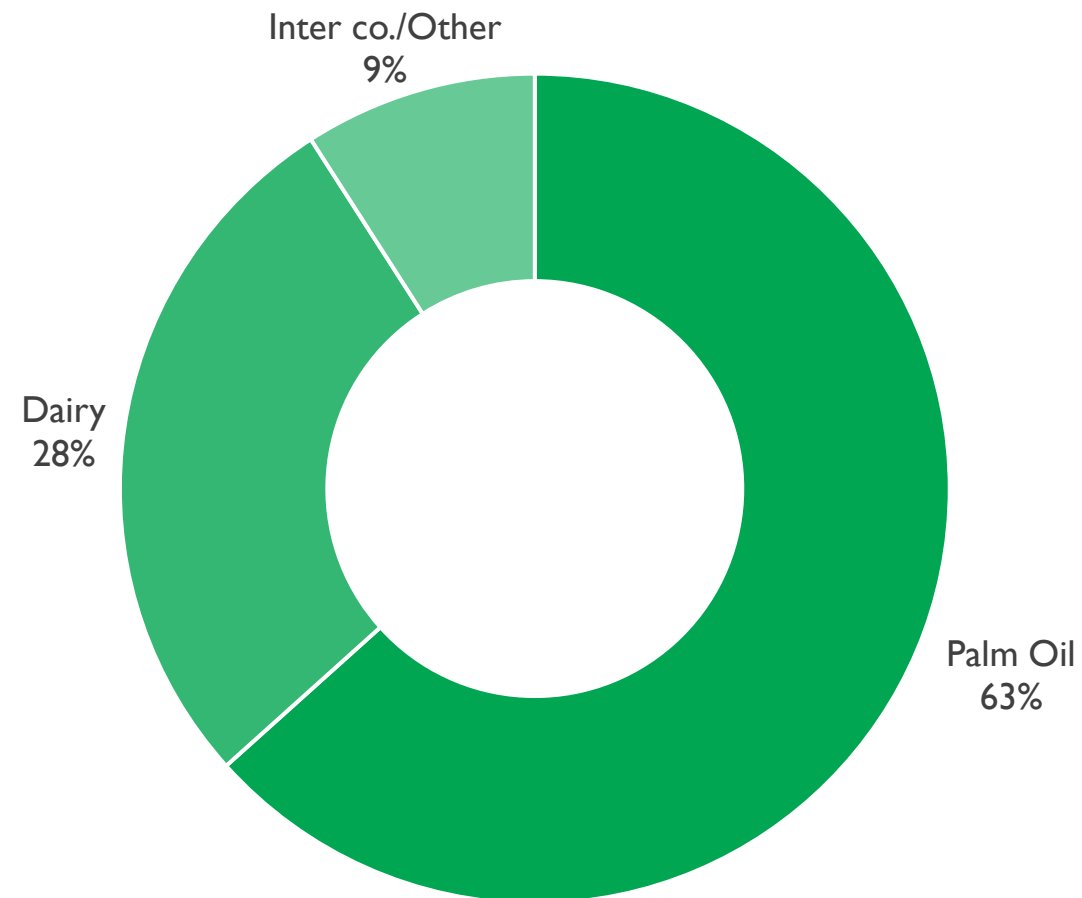
# Agri Sector



## Revenue Split [FY24]



## Total Asset Split [FY24]



# Agribusiness – Performance Highlights



(LKR millions)

LKR m	FY24	FY23	Growth %	4QFY24	4QFY23	Growth %
Revenue	8,321	8,768	-5.1%	1,838	2,119	-13.3%
EBIT	2,661	2,931	-9.2%	337	174	93.7%
<i>EBIT margin</i>	<i>32.0%</i>	<i>33.4%</i>		<i>18.3%</i>	<i>8.2%</i>	
PAT	2,345	2,332	0.6%	142	(323)	-144.0%
<i>PAT margin</i>	<i>28.2%</i>	<i>26.6%</i>		<i>7.7%</i>	<i>-15.2%</i>	

- Subsegment revenue growth FY24 vs FY23: Palm Oil: **-9.3% YoY**, Dairy: **21.7% YoY**
- Palm oil business revenue de-growth was driven by reduction in palm oil prices despite a **15.2% YoY** increase in volume of oil sold.
- Dairy Business revenue growth was driven by **10.6% YoY** increase in price and a **12.3% YoY** increase in volume during FY24
- GP margin for FY24 declined to 37.9% from 40.4% last year due to the drop in palm oil price while marginally offset by the positive gross profit in the dairy business due to the increase in topline and control of feed cost.
- **Wage impact:** LKR 348m (including LKR60m gratuity adjustment) for FY25

# KPI – Agri Business

KPIs	FY23				FY24			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
<b>Volume growth (%YoY):</b>								
CPO Production	-22%	-7%	20%	26%	50%	9%	-1%	-4%
Milk Production	-19%	5%	9%	5%	19%	4%	5%	10%
<b>Price growth (% YoY):</b>								
Average palm oil price	70%	41%	-1%	14%	-17%	-28%	-4%	-12%
Average milk price	57%	78%	87%	68%	29%	15%	3%	4%

# Palm Oil

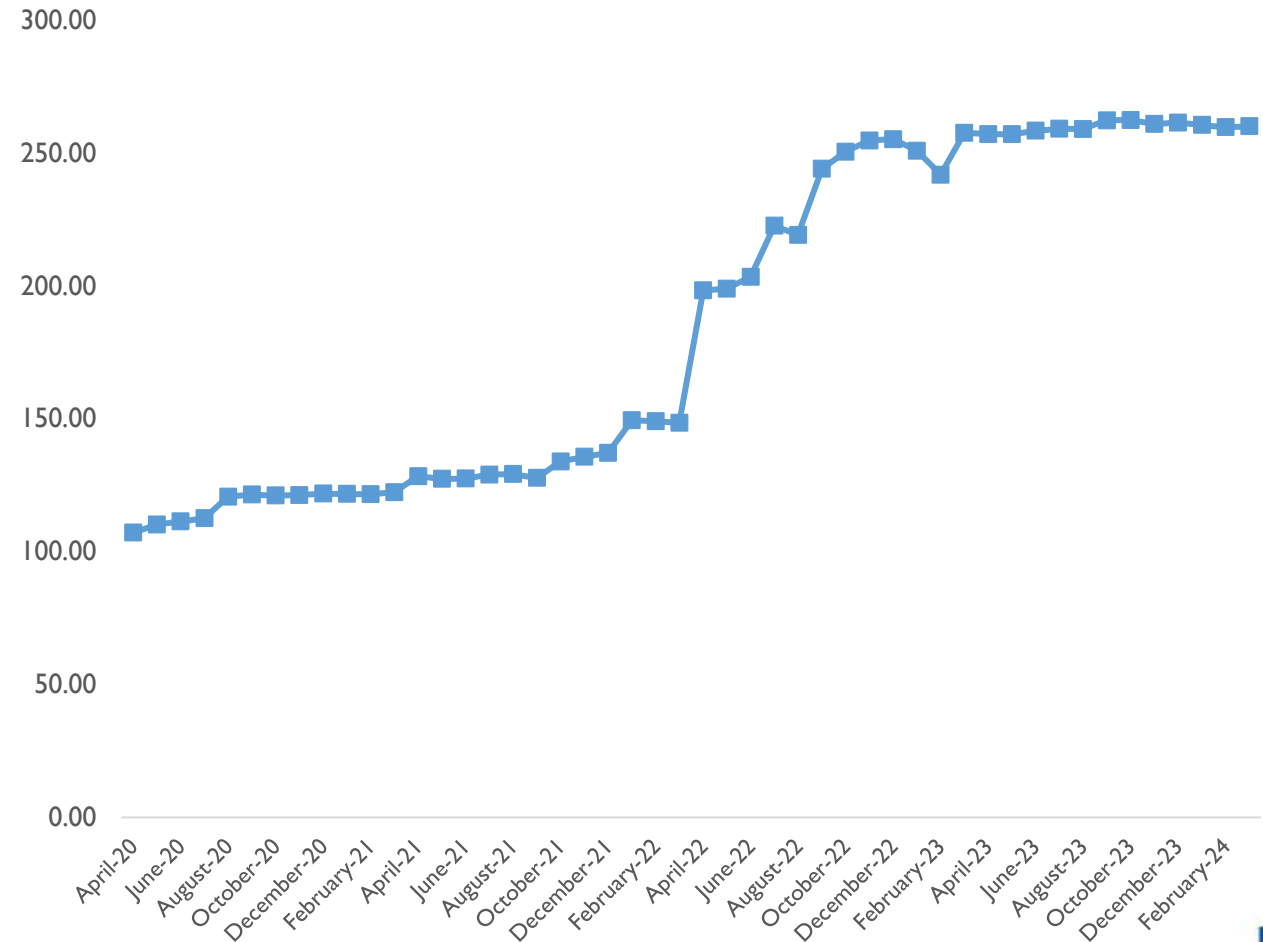


## Settlement Price (RM)



Source: Malaysian contract price

## WDL's Avg Milk Price (LKR)



Q&A

# Forward Looking Statements

This presentation contains forward-looking statements that are based on management's current expectations and assumptions. Forward-looking statements include predictions of future results or activities and may contain the words "expects," "believes," "should," "will," "anticipates," "projects," "estimates," "implies," "can," or words or phrases of similar meaning. These forward-looking statements are subject to certain risks and uncertainties that could cause actual results to differ materially from the potential results discussed in the forward-looking statements. Our predictions could be affected by a variety of factors, including: competitive dynamics and the markets for our products, including new product introductions, advertising activities, pricing actions and promotional activities of our competitors; economic conditions, including changes in inflation rates, interest rates, tax rates, or the availability of capital; product development and innovation; consumer acceptance of new products and product improvements; consumer reaction to pricing actions and changes in promotion levels; acquisitions or dispositions of businesses or assets; changes in capital structure; changes in laws and regulations, including labeling and advertising regulations; impairments in the carrying value of intangible assets, or other long-lived assets, or changes in the useful lives of other intangible assets; changes in accounting standards and the impact of significant accounting estimates; product quality and safety issues, including recalls and product liability; changes in consumer demand for our products; effectiveness of advertising, marketing and promotional programs; changes in consumer behavior, trends and preferences, including weight loss trends; consumer perception of health-related issues; consolidation in the retail environment; changes in purchasing and inventory levels of significant customers; fluctuations in the cost and availability of supply chain resources, including raw materials, packaging and energy; disruptions or inefficiencies in the supply chain; benefit plan expenses due to changes in plan asset values and discount rates used to determine plan liabilities; failure or breach of our information technology systems; foreign economic conditions, including currency rate fluctuations; and political unrest in foreign markets and economic uncertainty due to terrorism or war.

**The company undertakes no obligation to publicly revise any forward-looking statements to reflect any future events or circumstances.**

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